

Message Text

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PAGE 01 MILAN 00344 011533Z

ACTION EUR-12

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TAGS: ELAB, EINV, IT

SUBJECT: DOW-LEPETIT OBSERVES TRANQUIL LABOR SITUATION

1. SUMMARY. DOW-LEPETIT (ITALIAN SUBSIDIARY OF DOW CHEMICAL) OFFICIALS IN MILAN, FLUSHED WITH THEIR OWN RECENT SUCCESSES IN LABOR FIELD, CONSIDER FEAR THAT UNIONS WILL REJECT CURRENT GOVERNMENT AUSTERITY MEASURES AS UNJUSTIFIED. ALTHOUGH UNIONS, THEY SAID, WILL MAKE MUCH NOISE TO CONTRARY, THEY WILL IN FACT BE COOPERATIVE WITH GOVERNMENT AND INDUSTRY THROUGH REMAINDER OF 1977. END SUMMARY.

2. IN CONVERSATION WITH ECONOMIC OFFICER, DOW-LEPETIT (ITALIAN SUBSIDIARY OF DOW CHEMICAL) PERSONNEL OFFICERS DESCRIBED THEIR UNION RELATIONS THIS PAST YEAR AS REMARKABLY SUCCESSFUL. THROUGHOUT A MAJOR FORCE REDUCTION DOW EXPERIENCED ONLY MINOR TOKEN STRIKES AND BY OCTOBER 1976 HAD REDUCED ITS FORCE TO 3300, DOWN 1000 FROM A YEAR EARLIER (SEE 1976, MILAN 1979).

3. ONE DOW OFFICIAL SAID THAT DOW-LEPETIT MIGHT PAT ITSELF ON THE BACK FOR THIS SUCCESS ("SOMETHING NO ONE ELSE HAS DONE"), BUT SHOULD RIGHTFULLY ADD THAT UNION

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WEAKNESS MADE WHOLE THING POSSIBLE. ANOTHER ADDED THAT UNIONS ARE ESPECIALLY WEAK RIGHT NOW BECAUSE OF HARD ECONOMIC TIMES. THEY MENTIONED NEWSPAPER ARTICLE HEADLINED "DOW STILL REFUSES TO MEET UNIONS LEADERS" AS ANOTHER EXAMPLE OF UNION WEAKNESSES, EXPLAINING THEY HAD IN FACT BEEN READY TO MEET UNION LEADERS WHENEVER LATTER WISH BUT THAT UNION LEADERS HAD SAID THEY DID

NOT REALLY WANT TO GET TOGETHER. ARTICLE HAD BEEN
MERELY A MEANS OF MAINTAINING UNION IMAGE WITH MEMBERSHIP.

4. DOW OFFICIALS ADDED THAT CURRENT LABOR DEMONSTRATIONS
AGAINST THE GOVERNMENT ARE LIKEWISE ORGANIZED TO AVOID
LACKLUSTER APPEARANCE. ONE MENTIONED THAT ONE FEBRUARY 22
UNION LEADERS HAD CALLED A STRIKE IN DOW'S PIEDMONT
PLANT TO PROTEST GOVERNMENT'S CURRENT ECONOMIC POLICIES.
"THE WORKERS ACTUALLY VOTED IT DOWN AND SHOWED UP FOR
WORK." THEY ALSO MENTIONED THAT DEMONSTRATION PLANNED
SOON IN MILAN WILL SURELY BRING OUT 10,000 UNIONISTS.
" BUT IT IS SOMETHING THEY FEEL THEY HAVE TO DO. THEY
INTEND TO GO ALONG WITH THE GOVERNMENT HROORAM."

5. ALL IN ALL LABOR SITUATION IS DEFINITELY QUIETER
NOW THAN IT HAS BEEN FOR LONG TIME, SAID DOW. LABOR'S
DESIRE TO AVOID ROCKING BOAT WOULD BEGIN TO DISSIPATE
THROUGH 1977. DOW OFFICERS EXPECTED LABOR TO BE VERY
ACTIVE BY END OF 1977 AND TO BE MAKING HEAVY DEMANDS
BY BEGINNING OF 1978. MOREOVER, GOVERNMENT WOULD
ATTEMPT TO BOLSTER UNION STRENGTH THROUGH CURRENT YEAR.
GOVERNMENT FULLY RECOGNIZED PRESENT UNION WEAKNESS
AND DEFINITELY PREFERRED STRONG UNIONS TO ALTERNATIVE
OF THEIR HAVING LITTLE OR NO UNION CONTROL OVER WORKERS.

6. DOW OFFICIALS' FINAL POINT WAS THAT LABOR, LIKE THE
PCI ITSELF, IS ATTEMPTING TO SHED ITS MARXIST POLITICAL
APPEARANCE IN ATTEMPT TO GAIN RESPECTABLE IMAGE. AS
XAMPLE THEY MENTIONED RECENT EUROPEAN LABOR MEETING IN
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GERMANY WHERE ITALIAN LABOR LEADERS, BREAKING FROM
TRADITION, MADE OVERTURES FOR GREATER EUROPEAN COOPERATION.
FINA

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